

284

Hist. du Can. Politiq. N°5-

COPIES

OF

CORRESPONDENCE, &C.,

RELATING TO A PAYMENT

OF

**\$500,000**

BY THE

Dominion of Canada

TO THE

PROVINCE of QUEBEC.



1879.

*A. A. Blais*

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163 Hist. du Can. N°54

COPIES  
OF  
CORRESPONDENCE, &C.,

RELATING TO A PAYMENT

OF

**\$500,000**

164

BY THE

Dominion of Canada

TO THE

PROVINCE of QUEBEC.



1879.

*St. J. P. L. G.*

COPIES

CORRESPONDENCE, &c.

RELATIVE TO A PAYMENT

\$250.000

Dominion of Canada

PROPERTY & DEBTS



*Handwritten notes and signatures:*  
C  
G. J. J.  
J. J. J.  
J. J. J.

1871

## TREASURY DEPARTMENT

QUEBEC, 23rd SEPTEMBER 1878.

SIR,

I have the honor by instruction of the Honorable the Premier of the Province, in the absence of the Honorable the Treasurer, to submit for your consideration ;

That the Government of this Province has to provide, by the first of October, proximo, a large sum to pay the interest about to become due on its debt in London, which interest must be paid promptly to preserve the credit of the Province ;

That owing to various causes there are no funds at present in the hands of this Government to meet this liability, the receipts having been absorbed in payment of its expenditures and liabilities in this country ;

That, by an account of the Province of Quebec with the Dominion, transmitted with letter from your Department under date of 7th Sept. 1877, it appears that there was, at that time, a balance at the credit of this Province of \$1,347,915.08.

The Government of this Province therefore requests that you will cause to be paid over to it, at the present time, the sum of Five hundred thousand dollars (\$500,000,) on account of the above balance pending the final settlement of the accounts between the two Governments, to enable it to provide for the payment of the liability above referred to.

I am also instructed to respectfully request that, in view of the urgent wants of this Province, you will give this matter your immediate attention and be good enough to reply, as soon as possible, to this communication.

I have the honor to be,

Sir,

Your most obedient Servant.

H. T. MACHIN.

*Assistant Treasurer.*

P. Q.

The Honorable

R. J. CARTWRIGHT,

Minister of Finance,

Ottawa.



## FINANCE DEPARTMENT, CANADA,

OTTAWA, 24th SEPTEMBER, 1878.

SIR,

I am directed by the Hon. the Minister of Finance to acknowledge the receipt of your letter of yesterday's date applying for an advance, to be made out of the debt due by the Dominion to the Province of Quebec, of the sum of \$500,000 (five hundred thousand dollars).

The Minister of Finance begs me to state that although the letter, sent from this Dep't. under date 7th Sept. 1877, apparently shows that there was a balance due to the Province of the amount stated, yet that balance may be still subject to revision and until the accounts of the two Provinces are finally settled the amount so named can hardly be taken for granted—but, be this as it may, there is a grave and insuperable objection to make the advance in the manner proposed, and this objection arises from the fact that, by the Act of the Parliament of Canada, 37 Vic: Cap. 17, Sec. 2., advances can only be made on Debt Account for sums that may be required for local improvements, and as the application is for an advance, to provide for payment of interest due in London, on the Provincial Debt, the Minister of Finance considers that the objection is fatal.

I am, however, instructed to point out a way in which the difficulty may for the present be obviated, and that is that you make an application for an advance of the next half yearly subsidy. If you do this I will have a memorandum prepared and take the sense of Council thereon—I would suggest that on receipt of this letter if the Hon. the Premier considers this a

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desirable course of proceeding, that he should have a minute of Council drawn up to that effect and approved by the Lieutenant Governor and that, in order to expedite matters, I shall be informed by telegraph of the same.—

I have the honor to be,

Sir

Your most obedient servant

L. M. COURTNEY.

D. M. F.

H. T. MACHIN Esq.

Assistant Treasurer, Quebec.

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OTAWA, 3rd OCTOBER, 1878.

My dear Sir,

The wording of the Order in Council of the 28th September last, providing for the payment of five hundred thousand dollars to the Province of Quebec, tends to show that the Dominion Government was under the impression, in passing that Order, that the whole of the amount of five hundred thousand dollars was required to meet interest on our debt to be provided for on the 1st October instant.

Reading over the letter of our Assistant Treasurer, dated the 23rd September last, I must admit that such an interpretation may be put on his letter, but we did not intend to convey that impression, because the whole amount was not in fact required, for payment of interest.

The whole amount was then urgently required, part, viz : two hundred thousand dollars, for payment of interest, and the balance for prosecution of local works, being the construction of our Railways. We laid more stress on the payment of interest, as it was a matter that admitted of no delay.

Under the circumstances, the Province cannot avail itself of the Order in Council of the 28th September last, for the following reasons :

1. Because it appears to have been passed under an erroneous impression as above stated.

2. Because there appear some grounds for interpreting that Order in Council as granting us the sum of five hundred thousand dollars, on account of our subsidy due in January next, while we do not ask it on account of

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that subsidy but on account of the claims of the Province of Quebec against the Dominion Government. In conclusion, I beg to enclose an Official Copy of an Order in Council of the Government of Quebec, dated 30th September last, which clearly set forth our views on the subject, and I shall feel grateful if you will, once more, bring the whole matter under consideration of the Government of the Dominion.

I have the honor to be,

Sir,

Yours very truly,

H. G. JOLY,

Premier of Quebec,

Acting for Provincial Treasurer,

P. Q.

The Honorable

R. J. CARTWRIGHT,

Minister of Finance, Ottawa.

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## TREASURY BOARD, CANADA.

OTTAWA, OCTOBER 3rd 1878.

MY DEAR SIR,

The Minister of Finance has handed me your letter of this date, having reference to the payment of the \$500,000.00 recently made to the Bank of Montreal, on account of the Province of Quebec, and objecting to the wording of the Order in Council by which such payment was sanctioned. I have now the honor to inform you that, after examination of the letters and statements made out by my predecessor, I find that there appears to be at the credit of the Province an amount sufficient to meet this payment, and that this credit represents accumulations and transfers from other accounts ; consequently it is in the nature of an Account Current rather than a Capital Account and would be available for the purpose of the Province. I propose to report to the Minister of Finance to that effect, and to recommend that the advance shall be charged to the P. Q. C't. Acct., thus closing the Suspense Account.

The January subsidy will be payable as usual.

Yours very truly,

J. M. COURTNEY.

D. M. F.

The Hon. H. G. JOLY.

&amp;c. &amp;c. &amp;c.

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Copy of a Report of a Committee of the Honorable the  
Executive Council, dated the 30th September 1878.  
Approved by the Lieutenant-Governor on the 30th  
September 1878.

No. 367.

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The Honorable the Commissioner of Agriculture & Public Works, in a report dated the thirtieth of September, instant, (1878) sets forth, that whereas the Province of Quebec has claims against the Government of the Dominion of Canada to a large amount which has not been definitely settled, and whereas this Province is now engaged in works of local improvement which tax its resources to the utmost, and among others is the completion of the Quebec, Montreal, Ottawa, & Occidental Railway, he, (the Honorable Commissioner,) recommends that the Federal Government be requested to pay to the Government of this Province a sum of five hundred thousand dollars, (\$500,000,) to be charged against the Province of Quebec on the final settlement of the said accounts.

The Committee concur in the foregoing report and submit the same for the Lieutenant-Governor's approval.

Certified

FELIX FORTIER.

Clk. Ex. C

To The Honorable

The Com. of Agriculture and Public Works.

&c. &c. &c

QUEBEC.

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QUEBEC in account with the DOMINION,  
AGENCIES AND OTHER ACCOUNTS remaining in SPECIAL  
**Dr**

1867-8	Expenditure as per account rendered.....	453,420	07	
	Collected by Quebec on account of Cullers.....	24,348	56	
	Cash on account.....	460,000	00	
	Contribution to Marine Hospital.....	4,000	00	
	Colonization Roads credited Province.....	3,127	00	
	Transferred from special Accounts, Building and Jury Fund.....	7,481	41	
	Municipal Loan Fund.....	250	00	
	Municipalities Fund.....	1,392	00	
	Court Houses.....	1,965	46	
	Balance.....	285,503	23	
		\$ 1,241,487	73	
1868-9	Expenditure, as per account rendered.....	3,212	83	
	Cash on account.....	984,949	26	
	Contribution to Marine Hospital.....	4,000	00	
	Transfer from special Accounts, Building and Jury Fund...	740	46	
	Municipalities Fund.....	2,265	20	
	Quebec Fire Loan.....	750	00	
	Court Houses.....	3,119	64	
	Balance.....	341,908	84	
		\$ 1,340,946	23	
1869-70	Cash on account.....	859,626	40	
	Old Letter of Credit cheques.....	135	14	
	Transfer from special Accounts, Building and Jury Fund...	1,227	19	
	Municipalities Fund.....	756	00	
	Court Houses.....	2,709	30	
	Balance.....	497,731	09	
		1,362,185	12	

EXCLUSIVE OF INTEREST ON DEBT, CROWN LANDS TIMBER,  
ACCOUNTS ONTARIO AND QUEBEC

Cr

453,420	07	1867-8	Subsidy.....	959,252	80
24,348	56		Receipts as per account rendered.....	115,391	45
460,000	00		Half year's interest on Trust Fund.....	28,544	41
4,000	00		Balance of appropriation.....	99,482	20
3,127	00		"    on account of surveys.....	7,651	53
7,481	41		Sundry accounts transferred.....	7,973	25
250	00		Transfers from special accounts—Court Houses.....	2,891	69
1,392	00		Municipal Loan Fund.....	4,391	49
1,965	46		Building and Jury Fund.....	613	94
285,503	23		Registration Fund.....	6,829	87
1,241,487	73		Debentures and Interest Trust Fund Investment.....	8,454	31
			Law Stamps.....	10	79
				\$ 1,241,487	73
3,212	83	1868-9	Balance.....	285,503	23
984,949	26		Subsidy.....	959,252	80
4,000	00		Interest on Trust Fund.....	57,088	81
740	46		Amount paid to Treasurer of Marine Hospital.....	4,000	00
2,265	20		Unpaid Warrant charged 1867-8—Cancelled.....	75	00
750	00		Transferred from special accounts, Municipal Loan Fund.....	22,060	52
3,119	64		Registration.....	25	98
341,908	84		Debentures and Interest of Trust Investment.....	12,939	89
1,340,946	23			\$ 1,340,946	23
859,626	40	1869-70	Balance.....	341,908	84
135	14		Subsidy.....	959,252	80
1,227	19		Interest on Trust Fund.....	57,088	81
756	00		Cullers' Fees twice charged in 1869.....	474	75
2,709	30		Transfers from special accounts, Municipal Loan Fund.....	3,459	92
497,731	09			\$ 1,362,185	12
1,362,185	12				



## PROVINCE

OF

1870-1	Cash on account of Subsidy.....	790,000	00
	Transfer from special accounts—Court Houses.....	2,652	31
	Balance.....	721,436	26
		\$ 1,514,088	57
1871-2	Cash account of Subsidy.....	800,000	00
	Local Patients—Rockwood.....	3,617	95
	Transfer from special account—Court Houses.....	2,797	35
	Balance.....	941,029	67
		\$ 1,747,444	97
1872-3	Cash on account of Subsidy.....	800,000	00
	Local Patients—Rockwood.....	1,135	75
	Transfer from special account—Court Houses.....	3,058	57
	Balance.....	1,164,012	60
		\$ 1,968,206	92
1873-4	Local Patients—Rockwood..	1,001	00
	Transfer from special account—Court Houses.....	2,460	08
	Balance.....	1,172,069	67
		\$ 1,175,530	75
1874-5	Local Patients--Rockwood.....	1,001	00
	Share of cost of Ballot Boxes.....	1,865	24
	Transfer from Special Account—Court Houses.....	2,071	36
	Balance.....	1,357,607	47
		\$ 1,362,545	07

## QUEBEC

00	1870-1	Balance.....			
31		Subsidy.....	497,731	09	
26		Interest on Trust Fund.....	959,252	80	
57		Transfer from special accounts—Court House.....	57,088	81	
00			15	87	
95			\$	1,514,088	57
35	1871-2	Balance.....			
67		Subsidy.....	721,436	26	
97		Interest on Trust Fund.....	959,252	80	
00		Interest due Sundry Municipalities.....	57,088	81	
75			9,667	10	
57			\$	1,747,444	97
2 60	1872-3	Balance.....			
06 92		Subsidy.....	941,029	67	
01 00		Interest on Trust Fund.....	959,252	80	
60 08		Interest due Sundry Municipalities.....	57,088	81	
69 67			10,835	64	
30 75			\$	1,968,206	92
001 00	1873-4	Balance.....			
865 24		Seigniorial Indemnity to Sundry Municipalities.....	1,164,012	60	
071 36		Transfer from special account—Court House Tax, Quebec..	11,516	82	
607 47			1	33	
545 07			\$	1,175,530	75
	1874-5	Balance.....			
		Seigniorial Indemnity—Capital and Interest.....	1,172,069	67	
			190,475	40	
			\$	1,362,545	07

## PROVINCE

OF

1875-6	Local Patients—Rockwood.....	850	98
	Transfer from special account—Court Houses .....	2,508	96
	Balance.....	1,354,247	53
		\$ 1,357,607	47
1876-7	Interest on Montreal Turnpike Trust (*) .....	3,600	00
	Rockwood Asylum .....	956	65
	Transfer from special accounts—Court Houses.....	1,775	80
	Balance.....	1,347,915	08
		\$ 1,354,247	53
<p>*We have only charged in the Public account to June 30, 77, the amount we have actually paid for interest on Montreal Turnpike Trust Bonds, which has not been repaid to us; but besides that we hold \$67,200 for the Indian Fund, upon which, to the same date, there was unpaid interest for 5½ years.....</p>			
		22,176	
and besides that there was the interest upon both accrued July 1877.....		5,616	
Leaving now due.....		\$ 27,792	
Reducing the balance to.....		\$1,320,123.08.	

## QUEBEC

1875-6	Balance.....	\$	1,357,607	47
		\$	1,357,607	47
1876-7	Balance.....	\$	1,354,247	53
		\$	1,354,247	53
	Balance.....	\$	1,347,915	08